GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:5
ANSWERED ON:25.07.2005
SUBSIDY TO COTTON GROWERS
Mohite Shri Subodh

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government has received request from Government of Maharashtra for financial assistance to the tune of Rs.400 crore to provide subsidy to cotton growers under the cotton monopoly scheme 2004-2005;

(b) if so, the details thereof; and

(c) the reaction of the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a) to (c): The Government of Maharashtra has sought subsidy for making good the loss in cotton procurement under the monopoly procurement scheme of the Government of Maharashtra and export subsidy to make cotton export competitive on the lines applicable to Cotton Corporation of India (CCI).

The Ministry of Agriculture has supported the proposal for extending the benefit of export incentive to the Maharashtra State Cooperative Cotton Growers` Marketing Federation (MSCCGMF) on the same terms and conditions as are applicable to CCI. Though the Government has approved this proposal, the prospects of exports are dim in view of relatively low level of competitiveness of Indian cotton in the global market, particularly in view of higher global cotton production in 2004-05.